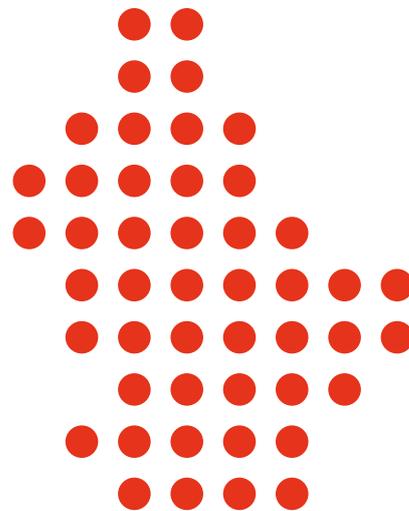


# Social Rights Monitor

2021

Country Monitor:  
Luxembourg



**solidar**



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	2018	2019	2020	EU-27 2020
<b>GINI index<sup>1</sup></b>	31.3	32.3	31.2	30.2 (2019)
<b>Unemployment<sup>2</sup></b>	5.6%	5.6%	6.8%	7.0%
<b>Gender Equality Index<sup>3</sup></b>	69 (2017)	69.2	72.4 (2021)	67.9
<b>In-work poverty<sup>4</sup></b>	11.5%	12.0%	11.8%	9.2 % (2019)
<b>Housing Overcrowding<sup>5</sup></b>	8.4%	7.1%	8.5%	17.1% (2019)
<b>CIVICUS Civic Space Monitor<sup>6</sup></b>	OPEN	OPEN	OPEN	N/A

#### Selected indicators on the state of social rights in Europe

Missing data for 2020 are not available at the time of publication of the Social Rights Monitor 2021.

# Equal opportunities and fair working conditions

On average, many indicators in the European Quality of Life Survey (EQLS) are higher in Luxembourg than in other European Countries. Nevertheless, 66% of respondents reported being too physically or mentally tired from work to enjoy other activities. **A negative trend has therefore been registered in the work-life balance of the country's workers and employees,<sup>7</sup> which was eventually magnified by the pandemic.** The National Strategy Group (NSG) reports that many of the changes in Luxembourgers' professional lives and working conditions have been provoked by the

health crisis. This had a strong impact on working conditions throughout 2020 and will probably continue to do so in the future. Therefore, this chapter has to be read and understood through the lens of the emergency situation caused by the pandemic.

As noted by the country's Chambre des Salariés (Chamber of Employees) – one of the five chambers in Luxembourg defending the interests of professional categories – **the oldest employees were least affected in their working lives by the pandemic. Workers**

1 Eurostat (2021). Gini coefficient of equivalised disposable income: [http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc\\_di12](http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12)

2 Eurostat (2021). Unemployment by sex and age: annual data: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en)

3 European Institute for Gender Equality (2021). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/LU>

4 Eurostat (2021). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2021). Overcrowding rate by age, sex and poverty status – total population: [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_lvho05a/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en)

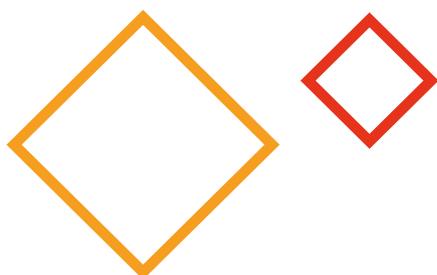
6 CIVICUS (2021). Civic space monitor - Luxembourg: <https://monitor.civicus.org/country/luxembourg/>

7 Eurofund (2021) European Quality of Life Survey – Luxembourg: <https://www.eurofound.europa.eu/country/luxembourg#work-life-balance>

**under 44 years of age were impacted the most.** Pandemic measures also exacerbated inter-generational and gender inequalities. Women declared more than men that they have experienced unwanted changes in their professional lives, particularly those with children and single mothers.<sup>8</sup>

The most evident consequence of the adaptation of work to the pandemic has been the introduction of teleworking and home-office solutions. Nearly half the workers in Luxembourg say they have worked or are working remotely,<sup>9</sup> which led to an adjustment in the length and structure of working time. Flexible working hours have increasingly been adopted, and they are now part of the daily working life of a growing share of Luxembourgers.

However, the pandemic and the economic crisis disrupted work in different ways. More people are working part-time (53% at manufacturers and 40% at constructors),<sup>10</sup> and there has been an increase in non-standard ways of working. There has also been unprecedented growth of in-work poverty. In addition, the National Strategy Group highlights that threats to mental health posed by the pandemic have often been underestimated. Emotional distress increased the likelihood of psychosocial risks at work, leading to decreases in wellbeing, satisfaction, and motivation.



## PRECARIOUSNESS

Precariousness endures as a widespread issue across the country. The unemployment rate increased by 1.2 percentage points in 2020 from 2019. While full-time employment remains the norm among residents, temporary employment has increased by 30% in the last decade. Young people, aged 15 to 24, are most affected by these changes. They represent 36.7% of temporary employment contracts.<sup>11</sup> Moreover, Luxembourg stands out from its partners in the eurozone due to the high presence of women among part-time workers. They represent 82% of part-time workers in the country.<sup>12</sup>

In addition, precariousness is becoming the norm for an increasing share of people. **In-work poverty has risen, and 18.9% of part-time workers and 10.0% of full-time workers are at risk of poverty.** This data shows Luxembourg to be the eurozone country with the highest risk of in-work poverty.<sup>13</sup> On average, the self-employed are experiencing in-work poverty more than other employees.

In 2020, the Chamber of Commerce developed the JobSwitch platform<sup>14</sup> to meet the needs of both businesses and workers. It helps employees move from one company to another for a defined period of time or for a project. The platform helped workers earn extra pay, and it provided a response to the pressing demand for workers in certain sectors during the pandemic, such as food and transport. Nevertheless, to reverse the negative trends of the last years, long-term solutions to fight in-work poverty have to be developed and urgently adopted.

8 Chambre des Salariés (2021) Rapport – Quality of work Luxembourg 2020: <https://www.csl.lu/wp-content/uploads/2021/02/in-fas-rapport-quality-of-work-index-luxembourg-2020-francais.pdf>

9 Ibid.

10 Ibid.

11 Albanese, A., Gallo, G. (2020). Buy flexible, pay more: The role of temporary contracts on wage inequality. Labour Economics, 64. ; SJR: 1,368. <https://doi.org/10.1016/j.labeco.2020.101814>

12 Ibid.

13 CSL (2021) Panorama Social 2021 – Conditions et qualité d'emploi: [https://www.csl.lu/wp-content/uploads/2021/04/panorama\\_social\\_2021\\_version\\_web.pdf](https://www.csl.lu/wp-content/uploads/2021/04/panorama_social_2021_version_web.pdf)

14 [www.jobswitch.lu](http://www.jobswitch.lu)

## GENDER EQUALITY

Luxembourg is a high performer in terms of gender equality. On an index developed by the European Institute for Gender Equality, it scores 2.4 points above the European average, showing that the country is progressing towards gender equality faster than other European countries.<sup>15</sup> Nevertheless, gender equality is far from being a reality in the labour market, as there remains an uneven concentration of women and men in the workforce. **Especially when positions of power and decision-making are considered – both in the political and in the economic spheres – men and women are not fairly represented.** Women represent only 24.6% of government ministers, 24% of members of regional assemblies, and 27% of members of parliament. The gaps are even wider for the boards of large companies, where almost 90% of directors are men.<sup>16</sup>

The government has recently taken some measures to narrow the gender gap. In July 2020, the National Action Plan for Equality was updated and amended by the Ministry for Gender Equality.<sup>17</sup> Seven priorities were identified for fighting inequalities in society, the labour market, and at home. The Action Plan has been complemented with the Positive Action programme,<sup>18</sup> which supports dialogue between the government and social partners towards an inclusive economy and a more egalitarian society. The National Strategy Group of Luxembourg particularly welcomes this initiative, which is a key instrument to help the country advance the cause of equality at work. The programme supports companies on a voluntary basis in developing and certifying good practices. Following recent developments in working conditions, the programme is focused on teleworking, career development following parental leave, and the development of tools and indicators to monitor equality in pay and training.

15 EIGE (2021) Gender Equality Index 2021 – Luxembourg: <https://eige.europa.eu/gender-equality-index/2020/country/LU>

16 Ibid.

17 Government of Luxembourg (2020) National Action Plan for Equality: <https://mega.public.lu/content/dam/mega/fr/publications/publications-ministere/2020/MEGA-plan-action-nation-egalite-WEB.pdf>

18 Government of Luxembourg (2020) Programme des Actions Positives: <https://mega.public.lu/fr/travail/programme-actions-positives.html>

# Social protection and inclusion

Throughout 2020, the Covid-19 pandemic induced several quick adaptations to the social protection system. The National Strategy Group welcomes the measures undertaken by the government, which are reported to have provided support for the population. **In particular, family support leave was introduced to allow a member of the household to stay with young children during the closure of schools and nurseries,** and home-office solutions were developed and recognized as a new way of working. Moreover, since the social security payment for an employee unable to work is limited to 78 weeks in a reference period of 104 weeks,<sup>19</sup> lockdown and quarantine periods were not added to employees' totals for 2020.

## HEALTHCARE

Despite the outbreak of the Covid-19 pandemic, the healthcare sector in Luxembourg was able to provide the necessary emergency care while continuing with other regular treatments and hospitalisations. In general, access to healthcare is open to all residents, who are provided with the necessary services without any discrimination by the National Health Fund (CNS), which insures people against health risks. Indeed, reimbursements cover a high percentage of healthcare costs, and the population reports being satisfied with healthcare and its accessibility when needed.<sup>20</sup> **Nevertheless, as a residency permit is needed to**

**register for healthcare insurance, a share of the population – albeit small – remains excluded from the system.** In particular, specific groups of people in illegal situations – for example, minors who have left their parents' home and have no domicile – remain outside of the system.

## HOUSING

The Luxembourg National Strategy Group reports a dramatic situation for the housing sector, with many implications for poverty and inequality. For decades, the increase in Luxembourg's population has not been matched by housing construction.<sup>21</sup> That has led recently to **a housing deficit, which is growing over time. The shortage has pushed up real-estate prices,<sup>22</sup> and the weight of housing costs on incomes has become a major source of poverty and inequality.** The National Strategy Group reports that the housing issue is not new to Luxembourg. Already in 2019, more than one in three households (35.2%) faced heavy financial burdens related to housing. The Covid-19 pandemic dramatically increased Luxembourg households' economic and financial difficulties, putting even more pressure on the high number of people living around the threshold for poverty. According to the country's statistics agency, STATEC, prices of apartments and houses increased by almost 17% in just one year. That was the fastest increase in recent years: in 2018, prices

19 European Commission (2021) Your social security rights in Luxembourg: <https://ec.europa.eu/social/BlobServlet?docId=13752&langId=en>

20 Chamber of Employees (2021), Panorama Social 2021: [https://www.csl.lu/wp-content/uploads/2021/04/panorama\\_social\\_2021\\_version\\_web.pdf](https://www.csl.lu/wp-content/uploads/2021/04/panorama_social_2021_version_web.pdf)

21 Marco Hoffmann, (2012), Sortir de l'échec. La politique du logement au Luxembourg : [https://www.caritas.lu/sites/default/files/sortir\\_de\\_lechec\\_la\\_politique\\_du\\_logement\\_au\\_luxembourg.pdf](https://www.caritas.lu/sites/default/files/sortir_de_lechec_la_politique_du_logement_au_luxembourg.pdf)

22 Luxembourg Wort (2020) Si Google parvient vite à acquérir 33 hectares / If Google can easily get 33 hectares: <https://www.wort.lu/fr/luxembourg/si-google-parvient-vite-a-acquerir-33-hectares-5ef4c2b8da2cc1784e3605a4>

rose 7.1%; in 2017 they rose 5.6%; and in 2016 they rose 6%.<sup>23</sup> Moreover, the supply of affordable housing built by public bodies is reported by the NSG to be inadequate and insufficient, particularly in relation to the needs of young people, young households, and households in the poorest three income deciles. Although several large-scale projects are emerging to tackle the housing shortage, the deadlines for completion are very long (around two decades) and will therefore not provide a response in the immediate future.

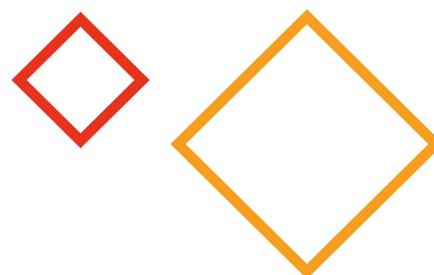
**The housing shortage has consequences for social exclusion, one of the biggest challenges faced by people living in poverty and the homeless.** The National Strategy Group recalls that the homeless population is difficult to quantify, since it is by nature excluded from official statistics. But the NSG reports that the number of overnight stays at shelters per person is continuously rising, and that the average occupancy rate never falls below 90%. The situation has been worsened by the pandemic and recommendations to stay at home.

#### **GOOD PRACTICE** **Wanteraktioun**

The non-profit organisation Inter-Actions carries out a so-called Wanteraktioun (Winter Action). Running from December to the end of March every year, the organisation welcomes homeless people during the coldest winter months, providing them with beds and three hot meals per day. The project also aims to generate statistics and reports on homelessness. During the pandemic, it accommodated people who were in quarantine and ensured that those in need of emergency treatment received it.

## **EDUCATION**

Due to the Covid-19 pandemic, formal and non-formal education providers and institutions temporarily closed classes and courses or had to move them online. The National Strategy Group reports that, during the lockdown period, non-formal education was penalised the most due to the impossibility of continuing practical training that requires physical presence or tools not normally available at home. The National Strategy Group echoes the findings of the CSO Youth&Work, which analysed the pandemic's impact on young people's education, regarding the dramatic effects of schools' closures. These resulted in the dissolution of important structures at a time when young people were developing, which generated feelings of abandonment and helplessness.<sup>24</sup> **The fear of the future generated by the pandemic was combined with boredom, grief, anxiety, and a lack of physical contact. Together, these feelings are reported to have fostered the belief among young people that there is no way to change their personal situation, leading to low self-esteem and depression.** The pressures on and frustrations of young people and learners increased considerably, often leading them to feel isolated. The National Strategy Group reports that it has been very difficult to reach out to young people, particularly the most vulnerable, and persuade them to come back to courses and non-formal training.



23 STATEC (2021) Housing in figures in the fourth quarter of 2020: <https://statistiques.public.lu/catalogue-publications/logement-en-chiffres/2021/logement-en-chiffres-final.pdf>

24 Youth&Work (2021) <https://www.youth-and-work.lu/fr/>

## GOOD PRACTICE

### Words4Work

Luxembourg's Agency for the Development of Employment (ADEM) developed the training programme Words4Work<sup>25</sup> to increase equal opportunities by improving the linguistic knowledge of applicants for jobs in various sectors which require specific French vocabulary. The training consists of four weeks of general French language lessons and two weeks of specific professional vocabulary. The National Strategy Group welcomes the initiative, recognising the importance of being fluent in the country's main language in order to be truly integrated in the labour market.

## JUST TRANSITION TO A GREEN ECONOMY

Luxembourg has always been forward looking when it comes to the green transition. The country is a signatory to various international climate conventions and has a progressive role at the European level. The National Strategy Group reports that the current government coalition has put forward some ambitious decarbonization plans and goals, making contributions to the European debate on minimum targets for emission reductions. **In December 2020, the parliament adopted the Climate Protection Law, which aims to cut 55% of the country's CO2 emissions by 2030 (compared to 2005) and to reach carbon neutrality by 2050.**<sup>26</sup> Moreover, the European Commission's approval of Luxembourg's National Recovery and Resilience

Plan came with a positive note of appreciation on the support provided to the green transition. **Luxembourg allocated 61% of its total of €93 million to the green transition, exceeding the unambitious minimum level of 37% required by the Recovery and Resilience Facility framework.** For the plans to be achievable and sustainable, Luxembourg established additional investment and financial support in the form of the new Climate and Energy Fund, which will be partially financed through a CO2 tax introduced in January 2021. Other measures will provide financial support for electric vehicles and charging stations, and there will be a fuel tax on petrol and diesel.

However, the National Strategy Group highlights that, too often, these measures do not foster social justice, as they do not take into account income inequalities. Measures are applied without considering that, for example, incentives to buy electric vehicles are not helpful for everybody, as these vehicles are too expensive for low-income households. Such households would instead benefit more from help to adapt their houses and renovate buildings that lack isolation, heating equipment, or renewable energy sources. This means that the transition towards a greener society is accessible only to better-off people.

**Nevertheless, Luxembourg in March 2020 became the first country in the world to offer nationwide free public transport for everyone.** This is a very inclusive measure, as it allows people to move around the country using a system that is both sustainable and public. It applies to all kinds of public transport: trains, buses, and trams. The National Strategy Group welcomes this measure and highlights it as an example of good practice for a just and fair transition.

<sup>25</sup> Words4Work: <https://adem.public.lu/fr/actualites/adem/2020/01/words4work-remise-certificats.html>

<sup>26</sup> Government of Luxembourg (2020) Integrated National Energy and Climate Plan 2021-2030: [https://ec.europa.eu/energy/sites/ener/files/documents/lu\\_final\\_necp\\_main\\_en.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/lu_final_necp_main_en.pdf)

# Civic space

Freedom of association is guaranteed in Luxembourg by Article 26 of the national constitution, and it is reported to be both respected and protected. The CIVICUS report monitoring the state of civic space throughout the world rates Luxembourg as “open”.<sup>27</sup> **The NSG reports that the associative fabric is particularly lively and well developed in many sectors of society, such as sport, culture, the environment, youth, personal assistance, development aid, and charity. Generally, civil society organisations can operate freely, and the majority of the workforce is unionised.**<sup>28</sup>

Freedom of peaceful assembly is ensured by Article 25 of the constitution, which states that political public gatherings are subject to prior authorization. Therefore, the National Strategy Group reports that large gatherings and public demonstrations are not the preferred means

of protest in the country. It reports that these events are rare and exceptional. During 2020, two major demonstrations took place as part of the movements Fridays For Future and Black Lives Matter.

A detailed analysis was issued by the Committee for Human Rights in Luxembourg (CCDH), which recently published its 2020 report.<sup>29</sup> This considered the health crisis and its effects, while analysing the extent to which it was legitimate to restrict individual freedoms to advance the general interest. The publication recognizes that the exceptional circumstances of the Covid-19 pandemic may have justified the implementation of measures limiting human rights, such as freedom of movement and public assembly and gatherings. Nevertheless, it denounces a lack of clear rules, transparency, and access to information.

# Social dialogue

Luxembourg is known for having a well-established tradition of social dialogue. The “Luxembourg model of social dialogue” is indeed often referred to as a culture of social dialogue that is capable of successfully settling disagreements, concluding negotiations, and reaching consensus. Consultations take place through the Economic and Social Council, the Tripartite Coordination Committee, the Economic Environment Committee, and the Permanent Committee of Labour and Employment. Social partners also meet to negotiate bipartite agreements in the framework of collective bargaining.

**The NSG reports that the Tripartite Coordination Committee – which brings together the government, employers, and trade unions – met in July 2020 to discuss the labour market in the light of the Covid-19 crisis.** They exchanged views on measures to be envisaged to protect work and employment. Nevertheless, despite the country’s highly institutionalised social dialogue, the NSG denounces the lack of consultation for developing the National Recovery and Resilience Plan, which did not involve civil society organisations.

27 CIVICUS (2021) Civicus Monitor – Luxembourg: <https://monitor.civicus.org/updates/2017/01/01/luxembourg-overview/>

28 Ibid.

29 Commission consultative des Droits de l’Homme (2021) Rapport d’activités 2020 / 2020 Activities report : <https://ccdh.public.lu/fr/actualites/20201/rapport-activites.html>

**SOLIDAR's Social Rights Monitor 2021** has been developed in the framework of the **Together for Social Europe** programme co-funded by the EU Programme for Employment and Social Innovation (EaSI). It provides an insight into the state of social rights in 16 European countries. The Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space based on the observations of Civil Society Organisations working on the ground in combination with statistical data and scientific findings. This information is provided by National Strategy Groups that are set up in each of the 16 countries by a SOLIDAR member or partner. The 2021 Monitor also analyses to which extent civil society and social partners have been involved in the design of the national Recovery and Resilience Plans, integrated in the 2021 European Semester cycle.

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SOLIDAR is a European and worldwide network of Civil Society Organisations (CSOs) working to advance social justice through a just transition in Europe and worldwide. With over 50 member organisations based in 26 countries (19 of which are EU countries), member organisations are national CSOs in Europe, as well as some non-EU and EU-wide organisations, working in one or more of our fields of activity.

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